

November 16, 1959

MEMORANDUM FOR THE FILE

25X1A Messrs. Samuelson and Pahl, CAAD, met with CIA representatives at 12:45 p.m., November 16, 1959, to discuss detail arrangements for our future audit work at CIA. Messrs. L. K. White, Deputy Director for Support, H. Gates Lloyd, Deputy to the Deputy Director for Support, and L. R. Houston, General Counsel, represented CIA in this discussion. [REDACTED] was introduced at the conclusion of the meeting.

Mr. Samuelson stated that after obtaining a general knowledge of the organization, our initial work would be to review the CIA financial management program to determine whether the CIA effectively and efficiently controls the funds entrusted in its care and does so within the scope of the authority of the legislation and executive orders under which CIA operates. This review would include the review and evaluation of the internal checks, such as internal audit and inspection operations of CIA.

25X1A Mr. Samuelson advised that normally our contact in an agency under audit was not in internal audit but instead should be at as high a management level as possible and yet be readily accessible to us. Colonel White advised that initially [REDACTED] of his staff would be our contact man. He indicated that in the initial phases of our work he wished to keep as closely in touch with it as possible, and that as our audit work progressed the designation would be changed as necessary.

CIA officials stated that they did not contemplate any problem in obtaining Mr. Pahl's security clearance since AEC clearances are generally acceptable for CIA purposes. Mr. Lloyd stated that he would contact Mr. Samuelson on November 17, 1959, to advise him whether there would be any problem in immediately clearing Mr. Pahl.

It was agreed that initially we would be interested in having data made available for our review and files (at CIA), such as organization charts, manuals, regulations, and other data setting forth the organization and operation of the Support area. Mr. Houston made available an unclassified copy of a compilation of statutes and executive orders relating specifically to the CIA, and suggested that Mr. Pahl's initial briefing should be in the area of the legislative and executive history of CIA and its predecessor agencies and CIA's mission.

25X1A Mr. Samuelson advised that Mr. Pahl should be able to begin to spend some time on CIA work beginning next week and would be assigned full time to that audit shortly thereafter. It was agreed that subject to receiving advise from Mr. Lloyd on Mr. Pahl's clearance, Mr. Pahl would contact [REDACTED] (extension 3920) to make specific arrangements for briefings and initiating the audit.

E L P
Eugene L. Pahl

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